



**James B. Wright**  
Senior Attorney

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CLERK OF THE  
EXECUTIVE SECRETARY

March 20, 1997

Carolina Telephone  
Centel-North Carolina  
Centel-Virginia  
United Telephone-Southeast

Director Melvin Malone  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

RE: Docket No. 96-01235; Stipulation

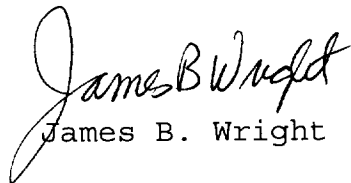
Dear Director Malone:

On behalf of all the parties of record in the above case, enclosed is a written Stipulation which reflects the parties' agreement regarding the above case.

This Stipulation covers all issues regarding the intraLATA toll dialing parity plan and is filed of record in lieu of the written statement of issues requested by Mr. Waddell in his Memorandum of March 14, 1997. This Stipulation also removes the need for any hearing regarding this matter.

Please contact me if you have any questions.

Very truly yours,

  
James B. Wright

JBW:er

CC: David Waddell (with 10 enclosures)  
Jim Lamoureaux (with enclosure)  
Martha McMillin (with enclosure)  
Counsel of Record (with enclosure)  
C. Steve Parrott (with enclosure)

#10137

OFFICIAL FILE

PLEASE

DO NOT REMOVE

BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE

IN RE: UNITED TELEPHONE-SOUTHEAST, INC. TOLL DIALING PARITY PLAN  
DOCKET NO. 96-01235

STIPULATION

This Stipulation is made this 20th day of March, 1997 by and among United Telephone-Southeast, Inc. ("United"), AT&T of the South Central States, Inc. ("AT&T") and MCI Telecommunications Corporation ("MCI") (herein jointly called the "Parties").

RECITALS

Each of the Parties is a party of record in Docket No. 96-01235 (the "Case") which is pending before the Tennessee Regulatory Authority ("Authority"), and together the Parties constitute all the parties of record in the Case.

Following a hearing and order in this Case, United filed a toll dialing parity plan ("Plan") on November 26, 1996. On February 7, 1997 AT&T filed an objection to the Plan and on March 4, 1997 MCI was granted intervention with respect to the Plan. Since that time the Parties have addressed issues regarding verification of costs and cost recovery, have reached agreement regarding the Plan and wish to set forth their agreement in writing.

NOW THEREFORE the Parties set forth their Agreement as follows:

1. The Parties acknowledge that this Stipulation is subject to and conditioned on approval by the Authority or its designee.

2. The Plan as agreed to by the parties is set forth on the attached seven page document entitled Intralata Toll Dialing Parity Plan dated March 12, 1997.

IN WITNESS WHEREOF, the parties have signed this Stipulation effective March 20, 1997.

UNITED TELEPHONE-SOUTHEAST, INC.

James B. Wright  
James B. Wright  
14111 Capital Boulevard  
Wake Forest, NC 27587-5900

DATED: March 20, 1997

AT&T OF THE SOUTH CENTRAL STATES, INC.

\_\_\_\_\_  
James Lamoureux  
Atlanta, Georgia

DATED: \_\_\_\_\_

MCI TELECOMMUNICATIONS CORPORATION

\_\_\_\_\_  
Martha McMillin  
Atlanta, Georgia

DATED: \_\_\_\_\_

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DATED: \_\_\_\_\_

AT&T OF THE SOUTH CENTRAL STATES, INC.

\_\_\_\_\_  
*James Lamoureux*  
James Lamoureux  
Atlanta, Georgia

DATED: \_\_\_\_\_

MCI TELECOMMUNICATIONS CORPORATION

\_\_\_\_\_  
Martha McMillin  
Atlanta, Georgia

DATED: \_\_\_\_\_

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DATED: \_\_\_\_\_

AT&T OF THE SOUTH CENTRAL STATES, INC.

\_\_\_\_\_  
James Lamoureux  
Atlanta, Georgia

DATED: \_\_\_\_\_

MCI TELECOMMUNICATIONS CORPORATION

\_\_\_\_\_  
Martha McMillin  
Atlanta, Georgia

DATED: March 20, 1997

**Intralata Toll  
Dialing Parity  
Plan**

**United Telephone-Southeast, Inc.  
Tennessee**

**March 12, 1997**

## **I. Purpose**

As we promised during the hearing in the TRA Docket No. 96-01235 and in accordance with the TRA's order dated November 12, 1996, United Telephone-Southeast, Inc. (United) has described herein the process for implementing Intralata Toll Dialing Parity in the United exchanges located in the state of Tennessee in United's LATA (Plan). The intent of this Plan is to provide a proposal that, upon implementation, would provide customers the ability to select the telecommunications carrier of their choice for routing their intraLATA toll calls.

## **II. IntraLATA Environment**

United customers in Tennessee in the United LATA can currently dial seven digits to complete local exchange or intraLATA toll calls. The scheduled date for implementation of toll dialing parity should not change this dialing pattern. After upgrading switch technology and software configurations, seven-digit dialed numbers that are intraLATA toll calls should be prefixed with the area code before being transmitted to the carrier. This prefixing should allow carriers to receive a seven-digit dialed intraLATA toll number as a complete ten digit number.

In 1995, toll-free intraLATA county-wide calling was initiated for United via an order from the Tennessee Public Service Commission. United currently maintains tax-code billing tables to identify "free county-wide" intraLATA toll calls originated by United intraLATA toll customers and to ensure that billing does not occur on these calls. United will continue to process toll-free intraLATA county-wide calls in this manner for its intraLATA toll customers after implementation of intraLATA toll dialing.

## **III. Implementation Schedule**

United will offer dialing parity for intraLATA toll in all of its Tennessee exchanges on or before June 24, 1997. Attachment A is a specific listing of all exchanges on record for the state of Tennessee.

## **IV. Carrier Selection Procedures**

United will implement the full 2-PIC carrier selection methodology. With the full 2-PIC methodology, customers will be able to presubscribe to one telecommunications carrier for interLATA toll calls and presubscribe to the same or a different participating telecommunications carrier, including their existing local exchange company, for all intraLATA toll calls. Orders for changes will be accepted and processed beginning on the implementation date.

United employees who communicate with the public, accept customer orders, and serve in customer service capacities will be trained to explain the process to customers for making PIC changes for intralata toll calls. Business Office personnel will be prepared to make changes in customer records based upon requests from customers or carriers. Processes will be in place to provide new customers with an opportunity to choose their intraLATA toll carrier from a list of available carriers.

### *Existing Customers*

Currently, United is the intraLATA toll provider for existing customers in United's local exchange area. On the date in which intraLATA toll presubscription is implemented in Tennessee, customers may presubscribe to United or any telecommunications carrier offering intraLATA toll service in their exchange. Customers will remain with United until they affirmatively choose an intraLATA toll carrier. Customers may make this selection through their own initiative or as a result of the promotional marketing activities of participating intraLATA toll telecommunications carriers. Customers may communicate their choice of carriers directly to United through the local Business Office or indirectly through their selected carriers. A charge will be established for "slamming" or unauthorized PIC changes submitted by carriers for end-user customers.

### *New Installation Customers*

Customers who contact United requesting new telephone exchange service are currently being provided a list of telecommunications carriers available to provide interLATA toll service. Upon implementation of intraLATA toll presubscription, the customer will be provided a second list of carriers, including United, that provide intraLATA toll service in their exchange. The list of intraLATA toll carriers will be presented in a competitively neutral manner. Customers who do not make a positive choice for an intraLATA toll carrier will be identified within United's system as a "no-PIC" and will not be automatically defaulted to a carrier. Customers identified as "no-PIC" within United's systems will be required to dial 10XXX to place intraLATA toll calls until they make an affirmative choice for an intraLATA toll carrier.



## **V. Customer Notification**

Customers will be notified a minimum of 30 days in advance of the offering of intralata toll dialing parity via a bill message. United anticipates that promotional strategies by carriers will contribute to customer awareness of intraLATA toll dialing parity. Customer telephone directories will be updated as new editions are published to reflect the opportunity for customers to choose an intraLATA toll carrier.

## **VI. Carrier Notification**

Current interexchange carriers will be notified of United's intraLATA toll dialing parity implementation via letter approximately 90 days in advance of the proposed implementation date. Carriers should provide a list of exchanges in which they plan to offer intraLATA toll service at least 60 days in advance of United's implementation date. United needs notification in advance to include the carrier on the list of participating carriers in each United exchange. Certified carriers who enter the market after implementation will be added to the list of participating carriers within 30 days of notifying United.

## **VII. Cost Recovery**

As stated in section 51.215 of FCC Order 96-333, CC Docket No. 96-98, "a LEC may recover the incremental costs necessary for the implementation of toll dialing parity. The LEC must recover such costs from all providers of telephone exchange service and telephone toll service in the area served by the LEC, including that LEC."

The incremental costs associated with implementing toll dialing parity by United include:

- 1) network hardware upgrades to provide the full 2-PIC methodology in all exchanges
- 2) central office software upgrades
- 3) software translations
- 4) system programming/testing
- 5) training for Business Office, Marketing, Carrier Services, Customer Services, and Service Center personnel
- 6) customer notification (bill message)
- 7) implementation activity

United proposes to recoup the incremental cost of implementing intraLATA toll dialing parity over a period of 4 years beginning on the date of implementation. A cost recovery per minute rate has been developed based on the identified cost divided by the

total of all carrier's originating intraLATA minutes of use, which will include United's intraLATA toll minutes. Attachment B contains the total cost estimate based on the incremental costs identified above and the rate based on a recovery period of 4 years. The detailed cost study supporting this data is proprietary and provided under separate cover.

To minimize billing costs, United proposes to bill this cost recovery per minute rate as an adder for four years to the existing Carrier Common Line originating minutes rate element. The components of the Carrier Common Line rate element will be identified separately in the tariff. Carriers who enter the market after implementation will be assessed the adder in the same manner as other competing carriers.

## **Attachment A**

### **United Telephone-Southeast, Inc. IntraLATA Toll Dialing Parity Exchanges**

Baileyton  
Blountville  
Bluff City - Piney Flats  
Bristol, Tennessee  
Butler  
Church Hill - Mt. Carmel  
Elizabethton  
Erwin  
Fall Branch  
Greeneville  
Hampton  
Johnson City  
Jonesborough - Sulphur Springs  
Kingsport  
Limestone  
Midway (Sullivan County)  
Midway (Washington County)  
Mosheim  
Mountain City  
Roan Mountain  
Stoney Creek  
Sullivan Gardens

## **Attachment B**

### **United Telephone-Southeast, Inc. IntraLATA Toll Dialing Parity Cost Recovery**

Note: Information supporting the calculation of the per minute addition is considered Proprietary Information by United and has been marked as such and forwarded under separate cover.

<u>Total Cost Based on Incremental Items</u>	<u>Total Intralata Minutes (4 yrs)</u>	<u>Time Period</u>	<u>Per Minute Addition to Carrier Common Line</u>
\$ 93,925.29	832,225,070	4 years	\$0.000113

# TENNESSEE REGULATORY AUTHORITY



Melvin Joel Malone  
Director

Don Sundquist  
Governor

## MEMORANDUM

TO: Parties of Record

FROM: Melvin Malone,  
Director, Tennessee Regulatory Authority

DATE: March 25, 1997

RE: Docket No. 96-01235 - Application of United Telephone-Southeast, Inc. for a Certificate of Public Convenience and Necessity to Provide InterLATA, Interexchange Telephone Service Within Tennessee.

A pre-hearing conference in this matter has been scheduled for March 27, 1997, to provide a statement of issues, establish a discovery schedule and hearing date, and to consider other pre-hearing matters as appropriate.

In order to expedite the pre-hearing conference, a list of possible issues for consideration, attached hereto, is being provided to all parties. Parties are encouraged to bring the appropriate company personnel to address these issues.

Thank you for your cooperation.

attachment  
cc: David Waddell, Executive Secretary

## **PRE-HEARING CONFERENCE OUTLINE**

**DOCKET 96-01235**

**IN RE: PETITION OF AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, INC. FOR A DECLARATORY ORDER CONCERNING THE IMPLEMENTATION OF UNITED TELEPHONE SOUTHEAST, INC.'S (UTSE) INTRALATA TOLL DIALING PARITY PLAN FOR UNITED'S LATA IN THE STATE OF TENNESSEE.**

### **STATEMENT OF ISSUES**

1. Is the Dialing Parity Plan, as filed by UTSE, in compliance with the FCC Order 96-333, dated August 8, 1996? Specifically:
  - A. Are the costs and the recovery mechanism outlined in UTSE's Plan compliant with the FCC Order? (FCC 96-333, Para. 381, 387, 51.215). The Order states "The LEC shall use a cost recovery mechanism established by the state."
  - B. Is the customer notification via bill inserts proposed by UTSE sufficient to comply with the FCC Order? The FCC Order allows the states to adopt procedures regarding customer notification, consumer education and balloting (Para. 80).
  - C. Will nondiscriminatory access to operator services be provided by the incumbent? Will the incumbent's brand be removed from operator service calls made by a competing carrier's customer? Will operator service calls be branded with the competing carrier's brand for calls made by their customers? (FCC 96-333, Para. 110, 128, 388, 51.217)
  - D. Will nondiscriminatory access to directory assistance be provided by the incumbent? Will the incumbent's brand be removed from directory assistance calls made by a competing carrier's customer? Will directory assistance calls be branded with the competing carrier's brand for calls made by their customers? (FCC 96-333, Para. 133, 148, 388, 51.217)

- E. Will LEC provide subscriber listing information to its competitors in "readily accessible" tape or electronic formats? (FCC 96-333, Para. 389)
  - F. Will UTSE comply with sections 51.305, 307, 325, 327, 329, 331, 333, and 335 of the FCC Order. These sites specifically address network changes and notices.
  - G. Should customers contact the incumbent or new carrier to request PIC changes?
  - H. Will PIC changes be implemented, for a limited time, free to customers? When a customer changes both intra and interLATA carriers, will the customer be charged two full PIC change charges?
2. These issues are not all inclusive, but is a list of what may be addressed in this proceeding.